



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAY - 1 1992

OFFICE OF
AIR AND RADIATIONNOTE

SUBJECT: EPA letters on oxygenated gasoline, EPA/FHWA Memorandum of Understanding, transportation/SIP planning, Cold CO

TO: Regional Air Division Directors
Regional Air Branch Chiefs

FROM: Paula Van Lare
Office of Mobile Sources

Attached for your information is a copy of a letter from Administrator Reilly to Secretary Madigan of the Department of Agriculture. The Secretary had requested information regarding EPA's views on the impact of oxygen in gasoline on NOx emissions from vehicles. As you know, this issue has been raised by states seeking to cap oxygen levels in oxygenated fuel.

Also attached is a Memorandum of Understanding between EPA and the Federal Highway Administration in which both parties pledge to work together in several areas of mutual interest, including congestion and air quality management.

As you know, OMS and DOT staff have been working together for over a year on some aspects of Clean Air Act implementation. We would like to see similar working relationships develop at the state and local level during the SIP process to ensure effective implementation of important transportation-related provisions of the Act. You may recall a draft of a joint letter from Administrator Reilly and Secretary Card of DOT to the governors of states with ozone and CO nonattainment areas that I sent out for your review several weeks ago. This letter should be signed soon. We will also be sending a letter with additional background information to your office and to state air agencies.

Finally, I am very pleased to report that OMB has at last released the cold CO final rulemaking package. The package still faces the usual bureaucratic process leading up to signature, but it should be signed within 2 weeks.

Please call me with any questions at (202) 260-3450.



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APR 24 1992

THE ADMINISTRATOR

Honorable Edward Madigan
Secretary
U.S. Department of Agriculture
Washington, D.C. 20250-0100

Dear Ed:

Thank you for your letter of March 26, 1992 expressing your concern about state actions in implementing the oxygenated fuels program as required by the Clean Air Act. I appreciate this opportunity to clarify EPA's technical views about the impact of oxygenated fuels on vehicle exhaust emissions of oxides of nitrogen (NOx).

EPA is currently reviewing existing data on the impact of oxygenates on vehicle NOx emissions. As you know, the Auto/Oil Air Quality Improvement Research Program has generated relevant new information on this topic. Additional information is also being developed in an EPA test program currently underway. Our present view is that oxygenates appear to cause a slight NOx emissions increase for the overall in-use motor vehicle fleet, but decrease exhaust emissions of both carbon monoxide and volatile organic compounds. For example, in calendar year 1993 NOx emissions from the in-use gasoline vehicle fleet would be expected to increase overall by 4 to 7 percent, assuming gasoline oxygen levels of 2.7 to 3.5 percent.

The NOx increase from oxygenates appears to be both linear with oxygen content and independent of the specific oxygenate used. NOx tailpipe emissions also vary with other characteristics of gasoline, such as aromatics and sulfur content. Changes in these or other gasoline components can potentially offset any NOx increase from oxygenates.

Of course, any small NOx increase caused by the use of oxygenated blends comes only from gasoline-fueled vehicles which account for about 50 percent of a typical urban area's motor vehicle NOx (diesel trucks and buses represent the rest), and only about 20 percent of a typical area's total NOx emissions. Hence, the maximum impact on total NOx emissions will be very small (less than 1 percent).

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This small increase will be more than offset by the strong downward trend in motor vehicle NOx emissions due to fleet turnover to cleaner vehicles. In fact, we estimate a 40 percent reduction in NOx emissions by year 2000 as a result of passenger car and light truck NOx tailpipe standards being cut by 60 percent for the 1994 model year and heavy truck NOx standards phasing in. In addition, future NOx controls on off-highway engines and high-technology vehicle Inspection/Maintenance programs will contribute further to these reductions.

I hope the above information is useful. Please let me know if I can be of further assistance. I look forward to continuing to work with you on these important matters.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Bill', enclosed within a large, stylized, handwritten letter 'W'.

William K. Reilly

MEMORANDUM OF UNDERSTANDING*between***THE U.S. ENVIRONMENTAL PROTECTION AGENCY***and***THE FEDERAL HIGHWAY ADMINISTRATION*****I. Purpose***

Because environmental and transportation policy can and should be complementary, the Environmental Protection Agency and the Federal Highway Administration seek to work together for a more efficient and environmentally-sound transportation system in the United States. The recent passage of the Intermodal Surface Transportation Efficiency Act presents a special opportunity for cooperation. Each agency sees a need and an opportunity to work together on the following (non-exclusive) areas:

- Congestion and air quality management;
- Education and outreach;
- Enhancement of environmentally sound transportation-related activities;
- Environmental impact assessment;
- Habitat protection and enhancement;
- Hazardous waste remediation, transport, and disposal;
- Innovative financing alternatives and public-private partnerships;
- Pollution prevention, control, and abatement;
- Recycling;
- Regional, state, and local partnerships;
- Research and development;
- Water quality and water use efficiency; and
- Wetlands preservation, restoration, and improvement.

The purpose of this agreement is to continue policies and administrative procedures for a working relationship between the Environmental Protection Agency and the Federal Highway Administration in support of work in these and other areas toward common objectives, interests, and statutory requirements.

Additional agreements are being and may be developed to outline activities by and between individual work units as needed for specific tasks. Such agreements will provide for the use of facilities, personnel, reimbursement for personal expenses, cooperative projects, transfer of funds, and other activities as appropriate and will be

subject to the laws and regulations pertaining to the respective agency. This agreement is a complement to, but does not supersede, any more specific work unit level agreements.

II. Authorities

Nothing in this agreement alters the statutory authorities of the Environmental Protection Agency or the Federal Highway Administration. This agreement is intended to facilitate the fulfillment of statutory requirements and cooperative efforts, including mandates for consultation on policy matters and the mutual provision of research and technical assistance by both agencies, and the conduct of programs affecting the quality of the environment and the provision of transportation-related services.

The Environmental Protection Agency has regulatory responsibility for the prevention, control, and abatement of pollution in areas of air, water, soils, solid waste, pesticides, noise, radiation, and toxic substances. This includes setting and enforcing environmental standards; conducting research on the causes, effects, and control of environmental problems; and assisting state and local entities.

The Federal Highway Administration has statutory responsibility for financially and technically assisting the states and local governments in providing highway and surface transportation services, and for assisting federal, state, and local agencies in planning, designing, and constructing highways on federally-owned land, as requested. This includes overseeing the federally-assisted work of the states and local governments to assure compliance with federal environmental and other program requirements, providing highway-related services to federal land management agencies, and conducting a program of research and development to advance the state of surface transportation technology.

The agencies share an interest in encouraging responsible and efficient management of the nation's transportation system in an environmentally sound manner. The actions carried out under this agreement will strengthen coordination, increase understanding and action on issues concerning transportation and the environment, and reduce the duplicative use of resources and expertise.

III. Provisions

The Environmental Protection Agency agrees:

To provide environmental expertise on environment-related transportation matters by providing the Federal Highway Administration with technical reviews, advice, consultation, and technical assistance in the planning and reviewing of national programs, training, research, and demonstrations;

To establish processes which encourage, guide, and facilitate the Federal Highway Administration's working arrangements with the Environmental Protection Agency, its regional offices, research laboratories, and cooperating entities;

To encourage and direct, as feasible, programs and activities conducted or supported by the Federal Highway Administration and its cooperators toward improving the nation's transportation system and its environment.

The Federal Highway Administration agrees:

To provide transportation expertise on transportation-related environmental matters by providing the Environmental Protection Agency with technical reviews, advice, consultation, and technical assistance in the planning and reviewing of national programs, training, research, and demonstrations;

To establish processes which encourage, guide, and facilitate the Environmental Protection Agency's working arrangements with the Federal Highway Administration, its regional offices, research laboratories, and cooperating entities;

To encourage and direct, as feasible, programs and activities conducted or supported by the Environmental Protection Agency and its cooperators toward improving the quality of the nation's transportation system and its environment.

It is mutually agreed:

To exchange, on a temporary detail basis, personnel so that each agency may better learn the public policies of the other and so that each can efficiently use the mechanisms and expertise of the other agency;

To the extent possible, support each other on budget, policy, and especially research matters related to the implementation of this agreement;

To establish an Environmental Protection Agency/Federal Highway Administration Action Team with representatives assigned by the Administrator of each agency. This team will prepare an action plan identifying specifics for implementing this agreement, and function as an ongoing forum for the discussion of issues affecting each agency.

IV. Project Officers

The project officers for this agreement are:

Mark Joyce
Environmental Protection Agency
401 M Street SW
Washington, DC 20460
(202) 260-4728

Fred Skaer
Federal Highway Administration
400 7th Street SW
Washington, DC 20590
(202) 366-2065

V. Duration of the Agreement


This agreement becomes effective on the date of signature by both parties, and continues until modified by mutual consent or terminated by either party in writing with 90 days advance notice of intent. The action plan will be reviewed at least annually and revised as needed.



Environmental Protection Agency

1/12/92

Date



Federal Highway Administration

1/12/92

Date

